- 1 television license?
- 2 A I would have to think. I'm not certain.
- 3 I'm a trustee at a university and I'm also on the
- 4 board of the University of Tennessee and they may
- 5 have a station, but I'm not certain about that.
- 6 Q Is the University of Tennessee the only
- 7 school that you're on the board of?
- 8 A I'm on the board of Roosevelt University
- 9 in Chicago.
- 10 Q You don't know if they have a --
- 11 A I don't believe they have a station.
- 12 Q Putting aside interests of less than 1
- percent in publicly traded companies, do you have
- any ownership interest in any other medium of mass
- 15 communication, such as radio, television,
- publications, satellite, cable television?
- 17 A Certainly it would be less than 1
- 18 percent. I have no interest beyond that percentage.
- 19 Q Or how about positions as an officer or
- director of a company that holds any such interest?
- 21 A I don't have any such position.
- Q When you were approached to participate

```
in Adams Communications, were you told who else
```

- 2 would be involved in the application?
- 3 A I believe so.
- 4 Q What were you told?
- 5 A The list of the shareholders -- I mean,
- 6 who would be investing.
- 7 Q Who told you that?
- 8 A Mr. Gilbert and Mr. Haag.
- 9 Q Did they mention anyone who ultimately
- 10 did not participate in Adams?
- 11 A I don't recall.
- 12 Q Did you negotiate for a higher percentage
- of Adams than 8.7 percent or did you accept 8.7
- 14 percent?
- 15 A I accepted 8.7 percent.
- 16 Q Did they explain to you how that
- 17 percentage was arrived at?
- 18 A I didn't ask.
- 19 Q Can you tell me what research had been
- done about where Adams would file its application or
- 21 any application?
- 22 A I don't know.

```
1
                 Do you know why Reading was picked as
 2
      opposed to some other community?
 3
           Α
                 I don't know.
 4
                  (Steinfeld Deposition Exhibit Number 2
 5
      was marked for identification.)
                 BY MR. HUTTON:
 6
 7
                 Mr. Steinfeld, that's a copy of the
      application as originally filed at the FCC.
8
                 Are you familiar with that application?
9
10
           Α
                 No.
                 Do you have a copy in your files?
11
           Q
12
           Α
                 No.
                 Were you involved in any way in the
13
      preparation of the application?
14
15
           Α
                 No.
                 Turning to page 3 of the application
16
17
      there's a reference in the middle of the page to
      incorporation of the company in Boston,
18
      Massachusetts.
19
                  Do you know why Boston was selected?
20
21
           Α
                 No.
```

Do you recall any discussion about filing

22

- an application in or around the Boston area?

 A No.
- 3 Q I'd like you to turn to Exhibit 3 of the
- 4 application.
- 5 The second paragraph there lists an
- 6 estimated budget of 4.5 million dollars.
- 7 Do you recall that figure being
- 8 discussed?
- 9 A Vaguely I recall that figure, yes.
- 10 Q Do you know who calculated that figure?
- 11 A No.
- 12 Q Did you ever see a written budget?
- 13 A No.
- 14 Q Do you know if there is a written budget?
- 15 A I can't answer that. I don't know.
- 16 Q And the next paragraph refers to a loan
- 17 commitment from American National Bank and Trust
- 18 Company of Chicago in the amount of 5 million
- 19 dollars.
- Have you seen that loan commitment?
- 21 A I know about it. I have not seen it.
- Q Who told you about it?

```
1 A Mr. Gilbert and Mr. Haag.
```

- 2 Q And the last sentence of that page
- 3 indicates that Adam's shareholders have committed to
- 4 contribute funds as necessary during the prosecution
- 5 of the application.
- Is that true?
- 7 A Yes.
- 8 Q And is that in writing or is that oral?
- 9 A That was just in a discussion.
- 10 Q In the cover page for the application it
- indicates that the application was filed by
- 12 Bechtel & Cole.
- Do you know who selected Bechtel & Cole
- 14 to represent Adams Communications?
- 15 A No.
- 16 Q And do you know what the fee arrangement
- is with Bechtel & Cole?
- 18 A No.
- 19 Q Do you know if they're entitled to a
- 20 bonus under any particular circumstance?
- 21 A I don't know.
- Q Were you involved in selecting the

1 consulting engineers for the application? 2 Α No. 3 0 Do you know who was? 4 Α I don't know. (Steinfeld Deposition Exhibit Number 3 5 was marked for identification.) 6 7 BY MR. HUTTON: Mr. Steinfeld, are you familiar with this 8 amendment to the Adams application? 9 10 Α No. If you refer to the ownership chart in 11 12 that amendment, it appears that the number of shares of stock issued to you listed there is 150 as 13 14 opposed to 75 shares listed in the original 15 application. 16 Do you know why your stock ownership 17 doubled? 18 I don't know. Α Do you have a stock certificate for Adams 19 Q Communications? 20 I'm not certain. 21 Α

Do you recall receiving a stock

22

- 1 certificate back when the organization was formed?
- 2 A I don't remember. I have to check my
- 3 files.
- 4 Q Do you recall receiving a stock
- 5 certificate this year?
- 6 A No.
- 7 Q Exhibit 3 to that amendment indicates
- 8 that the estimated budget was being increased to 7
- 9 million dollars.
- 10 Do you recall that?
- 11 A I may have had some discussion with
- Mr. Gilbert on that, but I don't recall.
- 13 Q Have you ever seen a written budget for
- 14 the 7 million dollar figure?
- 15 A No.
- 16 Q Do you know if one exists?
- 17 A I don't know.
- 18 Q What was your position with Monroe
- 19 Communications?
- 20 A I was on the board of directors and I was
- 21 a shareholder.
- 22 Q Do you know what percentage interest you

```
held in Monroe?
 1
           Α
                 I don't recall.
 3
           Q
                 Was it less than 10 percent?
                 Within that vicinity. I don't recall.
           Α
                 Was it less than 25 percent?
 5
           Q
                 Yes.
           Α
                 How did you come to be involved in Monroe
 7
 8
      Communications?
 9
           Α
                 That's going back to 1979 when this was
      first discussed when Mr. Gilbert first watched one
10
11
      evening pornographic movies on channel 44 right at
      the very initial stage.
12
13
                 Were you approached by Mr. Gilbert about
14
      forming Monroe Communications?
                 Mr. Haag.
15
           Α
16
                 What did he tell you?
           0
                 He was incensed about the station's
17
           Α
      activity.
18
                 Did he say anything else?
19
20
                 No. We had numerous discussions on it
           Α
      and I don't recall the exact discussion. But
21
```

certainly he was very much concerned about what the

- 1 station was doing.
- 2 Q Do you know if he complained to the
- 3 station?
- 4 A I can't tell you. I don't know.
- 5 Q Did you complain to the station?
- 6 A Did I complain to the station? I never
- 7 watched the station. My wife watched it.
- 8 Q Did she complain to the station?
- 9 A I don't remember.
- 10 Q Did she complain to you?
- 11 A Yes.
- 12 Q What did she say?
- 13 A Get up and watch this television station.
- 14 She woke me up at 10:30 at night. So I said what
- are you waking me for? You got to see this. That's
- 16 exactly what happened. That's how this whole thing
- 17 started.
- Q What happened next?
- 19 A The next thing that happened is Mr. Haag
- 20 discussed it with Mr. Gilbert and discussed it with
- some other people and Monroe Communications was
- 22 formed.

- 1 Q And Monroe was formed for the purpose of
- 2 seeking the license for channel 44?
- 3 A Yes.
- 4 Q How was your percentage interest in
- 5 Monroe Communications arrived at?
- 6 A We had some discussion. I think the
- 7 actual figure was computed by Mr. Haag and by
- 8 Mr. Gilbert and it was acceptable to me.
- 9 Q Did Mr. Haag and Mr. Gilbert hold
- 10 majority interests in Monroe Communications?
- 11 A If not the majority, close to it.
- 12 Q Do you recall if Monroe developed any
- programming plans of its own?
- 14 A Yes.
- 15 O And what were those?
- 16 A To turn the station into a Latino Spanish
- 17 speaking station and cater to the merchant Latino
- 18 market in the Chicago area. There was no station at
- 19 that particular time catering to that market.
- 20 Q Do you know if that station was going to
- operate as an affiliate of a hispanic network or was
- it going to be independent?

- 1 A There was some discussion with Telemundo.
- Q Was there an agreement with Telemundo?
- 3 A I am not certain, but I do recall that
- 4 Mr. Gilbert went to Miami to meet with the people
- from Telemundo at least one time, maybe several
- 6 times.
- 7 Q Was there a proposal made by Monroe
- 8 Communications for any of the stockholders to work
- 9 at the station if the application were granted?
- 10 A Not on a compensated basis. Maybe to
- 11 assist on a volunteer basis.
- 12 Q Do you know who from Monroe
- 13 Communications was proposed to work at the station?
- 14 A I don't recall.
- Q Was Mr. Hill proposed to work at the
- 16 station?
- 17 A Who?
- 18 Q Talmadge Hill, Ike Hill.
- 19 A You just brought back a name which I had
- long forgotten. I remember the name, but I don't
- 21 remember what his responsibility was.
- Q Have you had any discussions with

- 1 Mr. Hill about Adams Communications?
- 2 A Have I had any discussions? No.
- 3 Q Do you know if he has an interest in
- 4 Adams Communications?
- 5 A I don't know.
- 6 Q Going back to Monroe Communications.
- 7 Do you recall if Mr. Hill was proposed to
- 8 work at the station?
- 9 A I don't recall.
- 10 Q Did Monroe Communications ultimately
- 11 agree to dismiss its application in return for a
- 12 settlement payment?
- 13 A I believe so.
- 14 Q Do you know why Monroe agreed to dismiss
- its application?
- 16 A I believe that it was at the time when
- 17 Telemundo was heading into some financial
- 18 difficulty. And subsequently it did go into the
- 19 organization. There was a great deal of doubt of
- 20 being in line for Telemundo.
- 21 O Were there any other reasons?
- 22 A Not that I know of.

```
Do you recall what you received in the
 1
 2
      settlement?
 3
           Α
                  Are you talking about the monetary
 4
      amount?
 5
           0
                  Yes.
 6
                  I don't remember the exact amount.
           Α
 7
                  Do you recall roughly the amount?
           Q
 8
           Α
                  It was in excess of 10 million dollars.
 9
                  That's what the company received?
           0
                  I believe so.
10
           Α
                  Do you recall what you personally
11
      received out of that?
12
13
           Α
                  The exact amount?
                                     No.
                  Roughly the amount.
14
           0
15
           Α
                 Approximately.
                  Do you know roughly how much?
16
           0
                  I believe a million 1 approximately.
17
           Α
                  Do you know whether there was a bonus
18
           0
      paid to the law firm above their standard hourly
19
      rate?
20
21
                  I don't know.
```

MR. HUTTON: All right. I have nothing

1	further.		
2		MR. COLE: I have nothing	
3		(The deposition concluded	at 10:35 A.M.)
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			